

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6999

BILL NUMBER: HB 1165

NOTE PREPARED: Jan 4, 2012

BILL AMENDED:

SUBJECT: Property tax, bond, and lease referenda.

FIRST AUTHOR: Rep. Frizzell

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill provides that a referendum on a controlled project may be held only at a general election, if the preliminary determination to issue bonds or enter into a lease for the controlled project is made after June 30, 2012. The bill also provides that a referendum for a referendum tax levy of a school corporation may be held only at a general election, if the resolution to hold the referendum is adopted after June 30, 2012.

Effective Date: July 1, 2012.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: Under current law, a capital project is considered a controlled project if it will cost the taxing unit more than the lesser of (1) \$2 M or (2) an amount equal to 1% of the unit's total gross AV (if that amount is at least \$1 M).

A controlled project for a school building for kindergarten through Grade 8 is subject to a referendum if the cost is more than \$10 M. A controlled project for a school building for Grade 9 through Grade 12 is subject to a referendum if the cost is more than \$20 M. Other controlled projects with a cost that exceeds the lesser of (1) \$12 M or (2) 1% of AV (if that amount is at least \$1 M) are also subject to a referendum. In addition, a taxing unit may specify that the public question process applies even if the project is not a controlled project.

Currently, a public question may be placed on the ballot of a general election, a primary election, or a special election at the taxing unit's expense. This bill would restrict public questions regarding capital projects to general elections.

Taxing units that would have otherwise requested a special election would save the cost of the election under this bill. In some cases, this bill would delay a vote on the question. Construction and borrowing costs could be affected by a delay.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Civil taxing units and school corporations.

Information Sources:

Fiscal Analyst: Bob Sigalow, 317-232-9859